

United States District Court, Southern District of New York

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CASE NO.: 1:15-CV-03435-DLC

GEORGE TOWN ASSOCIATES S.A.,

Plaintiffs,

v.

ABAKAN, INC. and MESOCOAT,  
INC.,

Defendants.

**STATUS REPORT REGARDING THE  
RECEIVERSHIP'S ACTIVITIES FROM  
OCTOBER 31, 2015 TO DECEMBER  
9, 2015**

NOW COMES, ROBERT W. SEIDEN, ESQ (the "Receiver"), as the Court-Appointed Receiver over Abakan, Inc. ("Abakan"), and MesoCoat, Inc. ("MesoCoat"). The Receiver respectfully submits this third status report and accounting to provide a further update on the receivership's activities between October 31, 2015 and December 10, 2015 (the "Report Period").

Since the appointment of the Receiver, the Receiver has, among other things, done the following in order to fulfill the requirements of the Orders of the Court:

1. The Receiver and his staff are continuing to have ongoing communication with the key management of MesoCoat, ensuring that the company's day-to-day operations continue unabated and that payroll and other necessary expenses have been met and obligations have been properly tended to in the ordinary course of business.
2. The Receiver and his staff are continuing to manage the process of identifying immediate/emergent expenditures/liabilities of MesoCoat, as well as an orderly and effective approval of payment process that has been in place since the filing of the last report.

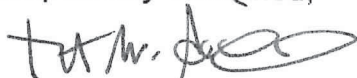
- 1 3. The Receiver and his financial staff are continuing to review and analyze current  
2 and projected financial information provided by MesoCoat and chief accountant  
3 Nicholson, including lists of accounts receivable, accounts payable, loan payment  
4 schedules, payroll obligations, as well as obligations to the state of Ohio and with  
5 the Mexican subsidiary. The Receiver has worked with management to craft a  
6 realistic cash flow projection and to pay bills and ensure obligations are being  
7 handled properly.
- 8 4. The Receiver and his staff are continuing to work with current management to  
9 develop and implement a viable and cost-effective plan to pay down accounts  
10 payable, including contacting MesoCoat's outside vendors to negotiate a reduction  
11 of the amount owed. These efforts have been successful thus far, with most  
12 vendors agreeing to reduce the amount MesoCoat owes. This has resulted in an  
13 approximate 20% reduction in MesoCoat's debt owed to these cooperating  
14 vendors. The Receiver's staff has also been working to identify and contact  
15 Abakan's holders of debt and vendors/payables. This is a much more difficult  
16 process in light of the fact that Abakan has no cash flow or source of income.  
17 There may be a point in the near future that the Receiver will seek guidance from  
18 the Court in this regard, including the possible need for the Receiver to exercise  
19 the authority the Court granted in provision 4(d) of the Court's September 24, 2015  
20 Order relating to selling or leasing assets of Abakan in order to pay necessary  
21 expenses.
- 22 5. Abakan has several continued and ongoing obstacles that the Receiver and his  
23 team are working to overcome, including substantial outstanding liabilities in  
24 excess of \$9 million dollars and growing, outstanding legacy lawsuits, an active  
25 investigation by the SEC, certain creditor filing an involuntary bankruptcy in Florida,  
26 and requests for production of various materials and information from the Receiver.  
27 In this regard, the Receiver has communicated with the various individuals involved  
28 with the issues to maintain the status quo and to hold off any drastic actions by  
managing the affairs of Abakan despite receiving little to no cooperation from prior  
management and having little to no funds or resources available.
6. As the court is aware, on November 5, 2015, a minority of Abakan and MesoCoat's  
unsecured creditors filed an involuntary bankruptcy petition in the United States  
Bankruptcy Court for the Southern District of Florida. Shortly thereafter, the judge  
ruled that the automatic stay did not immediately arise upon the filing of an  
involuntary petition. Secured creditors George Town and Sonoro meanwhile  
argued that the petition was filed in bad faith in their Motion to Dismiss, or in the  
alternative have the Abakan case converted into Chapter 7 liquidation. In  
furtherance of Your Honor's Order, the Receiver has engaged bankruptcy counsel  
to address issues surrounding the involuntary filing.
7. The Receiver and his staff have continued to ensure assets of Abakan and  
MesoCoat are preserved.



- 1 8. The Receiver and his staff have continued to work on a daily basis with the CFO  
2 and current chief accounting officer and his assistant to pay various emergency  
3 expenses, including bi-monthly payroll, employee health insurance premiums, 401k  
4 contributions, utility bills, patent costs and raw material costs. The Receiver and his  
5 staff have continued to work closely with current MesoCoat management to  
6 continue to grow the company on a steady path to financial stability.
- 7 9. The Receiver has reviewed and analyzed the prior versions of George Town's  
8 proposed Satisfaction of Debt document. The Receiver and his lawyers have had  
9 several calls, emails and meetings with interested parties and their counsel. Based  
10 on the Receiver's analysis of the proposal and his communications with these  
11 interested parties, the Receiver has requested that George Town make several  
12 material changes to the proposed agreement. George Town has agreed to these  
13 changes and yesterday it submitted a revised proposed agreement to the Court for  
14 its consideration.
- 15 10. The Receiver continues to coordinate with MesoCoat management and its outside  
16 patent attorney with regards to foreign country patent findings.
- 17 11. The Receiver continues to coordinate with the outside insurance carrier with regard  
18 to ongoing claims made on behalf of parent Abakan as well as with the former CFO  
19 of Abakan.
- 20 12. The Receiver has engaged in negotiations with outside CPA auditing firm with  
21 regards to the filing of the current 10Q and balances owed to them. Unfortunately,  
22 Abakan does not have sufficient funds to engage the auditing firm. We have  
23 consulted with legal counsel and notified the SEC of this shortfall.
- 24 13. The Receiver and his counsel will attend the December 16th fairness hearing and,  
25 of course, the Receiver is available at any time to respond to any request or inquiry  
26 from the Court or any of the parties.
- 27 14. The Receiver has attached MesoCoat's current Balance Sheet and Income  
28 Statement to this Report. The Receiver is also attaching Abakan's unaudited  
Balance Sheet as well as its Accounts Payable and Notes Payable List as provided  
by the former CFO of Abakan. These Abakan financials are the most recent  
records that the Receiver has received.

DATED: December 10, 2015

Respectfully submitted,



Robert W Seiden, Esq.,  
Court Appointed Receiver for MesoCoat, Inc. and Abakan, Inc.  
1120 Avenue of the Americas, 4th FL  
New York, NY 10036  
212-626-6708

**MesoCoat, Inc.**  
**Balance Sheet**

As of December 10, 2015

Dec 10, 15

**ASSETS**

**Current Assets**

**Checking/Savings**

100-1 · Fifth Third - Checking-2939 84.36

100-2 · Chase Bank -14,203.27

100-4 · Huntington Checking-9625 499.16

**Total Checking/Savings** -13,619.75

**Accounts Receivable**

110 · Accounts Receivable 96,655.09

**Total Accounts Receivable** 96,655.09

**Other Current Assets**

120-1 · Deposits/Retainers -9,022.80

120-3 · Other Prepaids 2,669.09

120-5 · Intercompany - Mesocoat Canada

120-5A · Intercompany - Mesocoat Tech US 1,464,845.00

120-5 · Intercompany - Mesocoat Canada - Other 1,955.00

**Total 120-5 · Intercompany - Mesocoat Canada** 1,466,800.00

120-6 · Intercompany - Mesocoat Mexico 33,750.00

121-00 · Inventory 34,560.00

**Total Other Current Assets** 1,528,756.29

**Total Current Assets** 1,611,791.63

**Fixed Assets**

**125 · Fixed Assets**

125-1 · Computer Equipment 22,405.25

125-2 · Office Furniture & Fixtures 9,119.47

125-3 · Machinery & Equipment 3,509,330.71

125-4 · Leasehold Improvements 54,177.44

125-5 · Land - Building 3 440,000.00

125-6 · Building 539,549.03

**127 · WIP**

127-10 · Elnik Hydrogen Annealer 60,670.27

**127-11 · Building #3**

127-11n · Building # 3 - Phase II 11,599.58

127-11o · Building # 3 - Phase II-Labor 153,734.47

127-11 · Building #3 - Other 112.65

**Total 127-11 · Building #3** 165,446.70

**127-13 · Plasma ARC Lamp**

127-13g · 127-13g PSU Darrah-Salary 14,164.82

127-13b · Power Supply -Darrah 87,713.95

127-13c · ID Lamp Head-200mm

**MesoCoat, Inc.**  
**Balance Sheet**

As of December 10, 2015

	Dec 10, 15
127-13h · 127-13h ELID 200-Salary	40,337.93
127-13c · ID Lamp Head-200mm - Other	22,124.08
Total 127-13c · ID Lamp Head-200mm	62,462.01
127-13f · Vortek F/A # 167	
127-13i · 127-13i Vortek - Salary	2,098.39
127-13f · Vortek F/A # 167 - Other	49,333.50
Total 127-13f · Vortek F/A # 167	51,431.89
Total 127-13 · Plasma ARC Lamp	215,772.67
127-13j · Lamp Spares	63,595.00
127-13l · Quincy Compressor QSI-235	105.00
127-13p · 40' Coating System Cart	7,371.52
127-13q · 40' Fusion Cart	23,080.31
127-13r · Niro Spray Dryer	7,077.50
127-13s · Across Furnace # 2 FA # 196	22,267.95
127-16 · EDM Machine-BLDG 3	2,400.61
127-19a · Mowry M5024 AVS Sintering Furna	147,857.42
127-19b · Ingalls M5046 AVS Vacuum Furnan	39,676.59
127-19d · Attritor 100S Mill	10,352.96
127-19g · Material Handling Equipment	12,618.38
127-19h · Dust Collector Misc	8,148.54
127-19i · Evaporative Cooler	10,452.56
127-19k · CMX DPX-6L Double Planetary Mix	10,159.44
127-19m · 200 Compressor	313.88
127-19o · Spray Booth System	2,475.38
127-23 · Building # 4	
127-23a · Building # 4 Capitalized Labor	3,494.01
127-23b · Building # 4	22,584.87
127-23 · Building # 4 - Other	1,132.46
Total 127-23 · Building # 4	27,211.34
127-28 · Drake Chiller 100 Ton	37,477.34
Total 127 · WIP	874,531.36
130 · Accumulated Depreciation	
130-1 · Accum Depr - Computer Equipment	-15,972.78
130-2 · Accum Depr - Office Furniture	-8,634.59
130-3 · Accum Depr - Machinery & Equip	-1,375,206.40
130-4 · Accum Amort - Leasehold Improv	-46,380.16
130-6 · Accum Depr - Building	-2,043.75
Total 130 · Accumulated Depreciation	-1,448,237.68
Total 125 · Fixed Assets	4,000,875.58

As of December 10, 2015

Dec 10, 15

Total Fixed Assets 4,000,875.58

**Other Assets**

**135 · Other Assets**

**135-1 · Intellectual Technology**

135-1.2 · IP-Batelle Licensing 2,979.60

135-1.3 · IP-MESO0102PCT "Clad" 56,306.71

135-1.4 · IP-US2010/23097 5,079.00

135-1.6 · IP-Coat,Comp&Meth Hardface-NonS 43,411.46

135-1.7 · IP-Nanocomposite Overlay 73,839.51

135-1.8 · Mat/AP/Meth Additive Prod LAAMP 861.50

135-1.9 · IP-Ternary Cerm Thermal PComp M 14,761.50

135-1 · Intellectual Technology - Other 143,381.37

Total 135-1 · Intellectual Technology 340,620.65

135-2 · Deferred Finance Costs 8,573.12

135-5 · Deferred Loan Cost - IOLF 16,676.15

**140 · Accumulated Amortization**

140-1 · Accum Amort - Technology -82,636.46

140-4 · Accum Amort - Def Ln Cost IOLF -6,079.85

Total 140 · Accumulated Amortization -88,716.31

140-2 · Accum Amort - Deferred Finance -8,573.12

Total 135 · Other Assets 268,580.49

Total Other Assets 268,580.49

**TOTAL ASSETS 5,881,247.70**

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

200 · Accounts Payable 698,054.80

Total Accounts Payable 698,054.80

**Other Current Liabilities**

205-1 · Gross Wage Pass-Thru (Pay Ck #) 26,096.51

205-2 · Child Support Pass Thru 430.75

207 · 401K Liability 2,199.41

**215 · Accruals**

215-1 · Accrued Workers Comp Insurance -2,835.20

215-3 · Accrued Vacation 16,541.77

215-5 · Accrued State/Local Income Tax 75.00

215-6 · Accrued Vol EE Repay Benefits -12,024.33

**MesoCoat, Inc.**  
**Balance Sheet**

As of December 10, 2015

	Dec 10, 15
215-7 · Accrued Real Estate Taxes	4,245.93
Total 215 · Accruals	6,003.17
Total Other Current Liabilities	34,729.84
Total Current Liabilities	732,784.64
Long Term Liabilities	
220 · Long Term Liability	
220-2 · Magnet-Cuy Co Develop Loan	26,726.68
220-9 · Olympus - OmniScan MX2	5,582.55
220-10 · CAT Lease	69,543.71
220-11 · IOLF Note Payable	896,671.28
220-12 · Huntington Bank 150K Note	89,760.77
220-14 · Accrued Legal & Dev - Mattson	240,611.00
220-18 · Note Payable - Court Receiver	423,274.51
Total 220 · Long Term Liability	1,752,170.50
Total Long Term Liabilities	1,752,170.50
Total Liabilities	2,484,955.14
Equity	
225-1 · Common Stock	4,362.34
225-3 · Additional Paid In Capital	
225-3.1 · APIC-Warrants/Options	189,241.44
225-3.2 · Additional Paid in Capital-ABAK	10,366,437.67
225-3.3 · APIC - Cancelled Stock Options	6,268.78
225-3 · Additional Paid In Capital - Other	116,843.15
Total 225-3 · Additional Paid In Capital	10,678,791.04
225-4 · Retained Earnings	-10,047,505.31
225-5 · Stock Issuable	
225-5A · Stock Issuable-Direct Pay ABKI	376,147.31
225-5B · Stock Issuable - MST Canada	93,990.00
225-5C · Stock Repurchase for Notes, A/P	1,024,858.39
225-5D · Stock Issuable - MST Mexico	33,750.00
225-5 · Stock Issuable - Other	2,381,621.26
Total 225-5 · Stock Issuable	3,910,366.96
Net Income	-1,149,722.47
Total Equity	3,396,292.56
TOTAL LIABILITIES & EQUITY	5,881,247.70

**MesoCoat, Inc.**  
**Profit & Loss**

June 1 through December 10, 2015

Jun 1 - Dec 10, 15

Ordinary Income/Expense

Income

230 · Revenue

230-1 · Commercial

114,614.00

230-2 · Government

230-5 · Other Government Revenue

87,618.04

Total 230-2 · Government

87,618.04

Total 230 · Revenue

202,232.04

235 · Other Income

235-2 · Interest Income

1.55

Total 235 · Other Income

1.55

Total Income

202,233.59

Cost of Goods Sold

300 · Cost of Contracts

300-01 · Direct Labor

58,936.19

300-04 · Materials

7,575.35

300-05 · Other Direct Costs

9,127.80

300-06 · Subcontracts

15,000.00

Total 300 · Cost of Contracts

90,639.34

Total COGS

90,639.34

Gross Profit

111,594.25

Expense

66900 · Reconciliation Discrepancies

-5.37

400 · Fringe Benefits

400-19 · SEVERANCE

20,440.80

400-01 · FICA/Medicare

54,437.11

400-02 · FUTA

178.80

400-04 · SUTA

1,147.00

400-05 · Medical/Ancillary Insurance

400-05A · Hospitalization

34,287.30

400-05B · Group, Disability, Vol D&V

3,028.13

Total 400-05 · Medical/Ancillary Insurance

37,315.43

400-06 · Vacation

20,031.17

400-07 · Sick Leave

7,713.05

400-08 · Holiday

19,184.80

400-09 · 401(K) Match - Employer

11,840.54

400-11 · Workers' Comp Insurance

5,509.24

400-13 · Employee Benefits

1,590.93



**MesoCoat, Inc.**  
**Profit & Loss**

June 1 through December 10, 2015

	<u>Jun 1 - Dec 10, 15</u>
<b>400-14 · Recruiting Benefits</b>	
400-14a · Immigration	32.98
400-14 · Recruiting Benefits - Other	199.25
<b>Total 400-14 · Recruiting Benefits</b>	<u>232.23</u>
400-15 · Employee Morale	710.83
400-17 · Employee Bonus	240.94
<b>Total 400 · Fringe Benefits</b>	<u>180,572.87</u>
<b>410 · Facilities</b>	
<b>410-01 · Information Technology</b>	
410-01b · IT Software/Subscriptions	2,385.01
<b>Total 410-01 · Information Technology</b>	<u>2,385.01</u>
<b>410-02 · Depreciation &amp; Amortization</b>	
410-021 · Depreciation	144,660.44
410-022 · Amortization	5,330.32
<b>Total 410-02 · Depreciation &amp; Amortization</b>	<u>149,990.76</u>
410-03 · Equipment/Furniture Lease	553.50
410-04 · Insurance	545.87
410-05 · Rent	94,500.00
<b>410-06 · Office Supplies</b>	
410-06A · Office Supplies	310.33
410-06B · Facility / Internal Janitorial	981.77
<b>Total 410-06 · Office Supplies</b>	<u>1,292.10</u>
410-07 · Phone	7,616.20
<b>410-08 · Postage &amp; Shipping</b>	
410-08A · Shipping Samples	1,699.62
410-08 · Postage & Shipping - Other	1,116.68
<b>Total 410-08 · Postage &amp; Shipping</b>	<u>2,816.30</u>
<b>410-09 · Utilities</b>	
410-09A · Electric	74,688.24
410-09B · Gas	525.89
410-09C · Water & Sewer	994.40
<b>Total 410-09 · Utilities</b>	<u>76,208.53</u>
410-11 · Janitorial, Trash External Vend	839.74
410-13 · Property Tax	-4,041.38
410-15 · Security	4,013.78
<b>Total 410 · Facilities</b>	<u>336,720.41</u>
<b>420 · Indirect Support</b>	

June 1 through December 10, 2015

Jun 1 - Dec 10, 15

420-01 · Salaries	
420-01A · Samples Salaries	359.50
420-01 · Salaries - Other	105,990.35
Total 420-01 · Salaries	106,349.85
420-02 · Analytical Supplies	1,505.18
420-06 · Repairs & Maint-EQUIP/Process	
420-06A · Misc. Equipment	
4206A4 · Quincy Compressor	1,996.22
420-06A · Misc. Equipment - Other	934.68
Total 420-06A · Misc. Equipment	2,930.90
420-06B · Pcomp Equipment	
4206B1 · Chiller	724.68
4206B2 · Water Cooling Pump / Furnace	782.07
4206B3 · Beech Ross Vac Pump	956.63
4206B4 · Sweco-Small	1,674.75
4206B5 · Across Furnace	1,752.58
4206B6 · Large Sweeco 48"	766.87
4206B7 · Attritor 10S	1,771.63
4206B8 · CVD RIG	487.03
4206B9 · Solvent Recovery	1,043.22
4206B11 · Carbon Furnace	150.00
4206B12 · Niro Spray Dryer	31,397.31
4206B14 · Bldg 37 Chiller	2,654.11
4206B15 · Compressor - SSR75EP Bldg 37	732.40
4206B16 · Compressor - Quincy QSI-325 #1	1,943.39
4206B17 · Niphous Equipment	377.26
Total 420-06B · Pcomp Equipment	47,213.93
420-06C · CermaClad Equipment	
4206C1 · 40' Coating Syst Cart	3,163.36
4206C2 · 40' Fusion Cart	1,818.00
4206C3 · Blaster/Blasting System	1,080.38
4206C5 · Drake Chiller 100 ton	622.38
4206C6 · Short ID Fusion Cart	29.57
4206C7 · Compressor - Quincy QSI325 # 2	164.50
4206C9 · CAT Lamp	261.92
4206C10 · Process # 2 Pump	24.60
Total 420-06C · CermaClad Equipment	7,164.71
420-06D · Thermal Spray Equipment	
4206D1 · DJ Gun	67.34
4206D2 · JP Gun	23,690.61
Total 420-06D · Thermal Spray Equipment	23,757.95

**MesoCoat, Inc.**  
**Profit & Loss**

June 1 through December 10, 2015

**Jun 1 - Dec 10, 15**

420-06 · Repairs & Maint-EQUIP/Process - Other	8,459.78
<b>Total 420-06 · Repairs &amp; Maint-EQUIP/Process</b>	<b>89,527.27</b>
 420-07 · HS & Q	
420-07a · HS&Q - Salary	56,904.17
420-07 · HS & Q - Other	1,123.31
<b>Total 420-07 · HS &amp; Q</b>	<b>58,027.48</b>
 420-09 · Processing Gases	1,474.73
420-10 · Demurrage	6,144.60
420-12 · Expendable Shop Supplies	7,403.83
420-14 · Research & Development	
420-14D · P-200 Salary	84,684.85
420-14C · P-200 Other Direct Costs	28,486.50
421101A · P-101 625 CRA-ODC	5,957.36
421101B · P-101 625 CRA-Salary	111,559.50
421102B · P-102 WR Dev - Salary	5,844.62
421107B · P-107 Lamp Development - Salary	2,735.67
421108A · P-108 Akron Eq Install-ODC	491.31
421108B · P-108 Akron Eq Install - Salary	9,828.36
421109A · P-109 Canada Eq Install ODC	14,630.93
421109B · P-109 Canada Eq Install Salary	45,790.87
421109C · P-109 Canada Cart L/M	19,285.62
421110A · P-110 Taiwanese ODC	2,994.47
421110B · P-110 Taiwanese Salary	19,096.45
<b>Total 420-14 · Research &amp; Development</b>	<b>351,386.51</b>
 420-18 · Consultants	935.00
<b>Total 420 · Indirect Support</b>	<b>622,754.45</b>
 430 · Sales & Marketing	
430-04 · Consultants	4,000.00
430-06 · Travel	
430-6A · Airfare	4,468.28
430-6B · Hotel Charge	2,886.47
430-6F · Mileage	490.00
<b>Total 430-06 · Travel</b>	<b>7,844.75</b>
 430-07 · Supplies	1,198.80
<b>Total 430 · Sales &amp; Marketing</b>	<b>13,043.55</b>
 440 · Finance & Administration	
440-01 · Salaries	48,176.48
440-02 · Accounting/Audit Fees	2,012.10
440-03 · Bank Charges	12,968.95

June 1 through December 10, 2015

	Jun 1 - Dec 10, 15
440-04 · Consultants	19,748.20
440-05 · Legal Fees	2,573.13
440-06 · Licenses, Fee & Permits	125.00
440-07 · Payroll Service	1,645.89
440-12 · Business Expenses/Meals	4,299.79
440-15 · Board of Directors Expense	800.00
Total 440 · Finance & Administration	92,349.54
455 · Unallowables	
455-02 · Interest Expense	16,508.11
Total 455 · Unallowables	16,508.11
6560 · Payroll Expenses	0.00
Total Expense	1,261,943.56
Net Ordinary Income	-1,150,349.31
Other Income/Expense	
Other Income	
235-5 · Other Income (Expense)	626.84
Total Other Income	626.84
Net Other Income	626.84
Net Income	-1,149,722.47



**Abakan Inc.**  
**Balance Sheet**  
As of August 31, 2015

DRAFT - NOT FINAL

	Total	
	2015	2015 (PP)
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Bank Accounts</b>		
100000 Cash and cash equivalents		
106550 Wells Fargo #5868099440	17.34	924.34
106610 Chase #636762630	20,528.87	94.14
Total 100000 Cash and cash equivalents	<b>\$ 20,546.21</b>	<b>\$ 1,018.48</b>
Total Bank Accounts	<b>\$ 20,546.21</b>	<b>\$ 1,018.48</b>
<b>Other current assets</b>		
12990 Due from Powdermet	600,000.00	
13000 Prepaid Expenses		
130111 Prepaid Expense - Cool Grove	2,491.30	
130200 Prepaid - Moneyventions Inc.	0.00	4,786.00
133320 Prepaid - OTC Market Group Inc.	625.00	2,500.00
133590 Prepaid - Hall, Lamb and Hall PA	17,798.65	18,961.57
134201 Prepaid - MLV & Co.	15,000.00	
134203 Prepaid - Moscovitz & Moscovitz	10,000.00	
134204 Prepaid - Law Office of David Chase	12,500.00	
134300 Prepaid - Robert Miller	(10,722.69)	(29,994.23)
Total 13000 Prepaid Expenses	<b>\$ 47,692.26</b>	<b>\$ (3,746.66)</b>
Total Other current assets	<b>\$ 647,692.26</b>	<b>\$ (3,746.66)</b>
Total Current Assets	<b>\$ 668,238.47</b>	<b>\$ (2,728.18)</b>
<b>Fixed Assets</b>		
182000 Computer Equipment (net)		
182001 Computer Equipment (cost)	22,081.40	22,081.40
182500 Computer Equip - Accum Depreciation	(22,081.40)	(22,081.40)
Total 182000 Computer Equipment (net)	<b>\$ -</b>	<b>\$ -</b>
183000 Furniture & Fixtures		
183010 Furniture & Fixtures (cost)	533.93	533.93
183020 Furniture & Fixtures - Accum Dep	(533.93)	(533.93)
Total 183000 Furniture & Fixtures	<b>\$ -</b>	<b>\$ -</b>
Total Fixed Assets	<b>\$ -</b>	<b>\$ -</b>
<b>Other Assets</b>		
165500 Investment - MesoCoat Inc.	15,378,432.39	13,796,531.15
165525 Investment - Mesocoat Technologies Canada	0.00	0.31
165530 Investment - Powdermet Inc.	447,761.02	2,292,551.02
165550 Investment - AMP Distributors Inc. SEZC	223,225.33	223,146.05
165600 Investment - AMP Distributors Inc. (Florida)	121,627.50	121,627.50
166000 Assignment Agreement - MesoCoat		
166020 Assignment Agreement - MesoCoat	250,000.00	250,000.00
166030 Accum Amort - Assignment Agreement - MesoCoat	(128,287.35)	(118,418.94)
Total 166000 Assignment Agreement - MesoCoat	<b>\$ 121,712.65</b>	<b>\$ 131,581.06</b>
185000 Intangible - Website Design (net)		
185001 Intangible - Website design (cost)	21,000.00	21,000.00
185100 Website design - accum amort	(21,000.00)	(21,000.00)
Total 185000 Intangible - Website Design (net)	<b>\$ -</b>	<b>\$ -</b>
Total Other Assets	<b>\$ 16,292,758.89</b>	<b>\$ 16,565,437.09</b>

<b>TOTAL ASSETS</b>	<b>\$ 16,960,997.36</b>	<b>\$ 16,562,708.91</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
210000 Accounts Payable	1,459,185.69	1,168,209.28
<b>Total Accounts Payable</b>	<b>\$ 1,459,185.69</b>	<b>\$ 1,168,209.28</b>
<b>Other Current Liabilities</b>		
210900 Accrued Liabilities		
210910 Accrued Payroll Tax		
211080 FIT Payable - J. Neukirchen	8,516.66	8,516.66
211090 Medicare Tax Payable - J. Neukirchen	1,740.00	1,740.00
211100 SOCSEC-ER J. Neukirchen	6,240.00	6,240.00
249400 Accrued Taxes	207,060.00	207,060.00
<b>Total 210910 Accrued Payroll Tax</b>	<b>\$ 223,556.66</b>	<b>\$ 223,556.66</b>
211101 Accrued Payroll & Benefits		
211110 Wages Payable - J. Neukirchen	53,417.97	53,417.97
211120 Wages Payable - S. Goss	60,000.00	37,500.00
21125 Accrued Bonus	32,000.00	
249250 Accrued Vacation	0.00	0.00
249270 Accrued Vacation - J. Neukirchen	10,615.39	10,615.39
249290 Accrued Vacation - S. Goss	12,306.37	7,692.31
<b>Total 249250 Accrued Vacation</b>	<b>\$ 22,921.76</b>	<b>\$ 18,307.70</b>
249500 Accrued Employee Benefits (Auto)	10,500.00	10,500.00
249600 Accrued Employee Benefits (Health)	11,000.00	11,000.00
<b>Total 211101 Accrued Payroll &amp; Benefits</b>	<b>\$ 189,839.73</b>	<b>\$ 130,725.67</b>
<b>Total 210900 Accrued Liabilities</b>	<b>\$ 413,396.39</b>	<b>\$ 354,282.33</b>
211400 Notes Payable		
211480 NP - Costas M. Takkas	80,993.60	80,993.60
211520 NP - Maria D. Longo	15,000.00	15,000.00
211590 NP - Green Chip, SA	336,766.03	406,766.03
219450 NP - River Fish Holding	43,600.00	43,600.00
230900 NP - James Chew	19,350.00	19,350.00
231000 NP - Kosson Ventures	3,850.00	3,850.00
235201 NP - Ammon & Associates Inc.	60,000.00	60,000.00
236000 NP - George Town Associates SA	1,341,963.34	1,341,963.34
242500 NP - Chaco Holding SA	70,000.00	70,000.00
242700 NP - Ioannis Xynos	40,000.00	40,000.00
245500 NP - Costas M. Takkas 2	26,684.72	26,684.72
245600 NP - Green Chip SA 2	250,000.00	250,000.00
246100 NP - Gustavo & Alexandra Maz	21,307.73	21,307.73
246530 NP - John Xinos	30,867.00	30,867.00
246550 NP - Paul Ammon	30,000.00	30,000.00
246560 NP - Paul Ammon 2	15,000.00	15,000.00
246570 NP - Paul Ammon 3	20,000.00	20,000.00
246580 NP - Costas Takkas 3	10,000.00	10,000.00
246590 NP - Warren Lydon	25,000.00	25,000.00
246591 NP - Green Chip 2	60,000.00	59,950.00
246592 NP - Green Chip 3	25,000.00	24,950.00
246593 NP - Costas Takkas 4	5,500.00	
<b>Total 211400 Notes Payable</b>	<b>\$ 2,530,882.42</b>	<b>\$ 2,595,282.42</b>
2115001 NP - Accrued Interest	0.00	0.00
211481 NP (Interest) - Costas M. Takkas	8,608.54	6,932.24

211521 NP (Interest) - Maria D. Longo	2,439.99	2,133.33
211591 NP (Interest) - Green Chip SA	51,759.13	44,874.14
219451 NP (Interest) - River Fish	6,665.35	5,773.96
219551 NP (Interest) - Ammon & Associates	3,740.00	2,820.00
230910 NP (Interest) - James Chew	5,736.20	5,340.60
231100 NP (Interest) - Kosson Ventures	1,077.15	998.44
236100 NP (Interest) - George Town Associates	96,183.30	27,678.40
242600 NP (Interest) - Chaco Holding SA	40,164.46	38,733.35
242710 NP (Interest) - Ioannis Xynos	8,915.56	8,097.78
245510 NP (Interest) - Costas M. Takkas 2	6,355.39	5,127.90
245610 NP (Interest) - Green Chip SA 2	56,187.50	44,687.50
246500 NP (Interest) - Gustavo & Alexandra Maz	5,145.83	4,165.67
246540 NP (Interest) - John Xinos	7,790.50	6,370.61
246600 NP (Interest) - Paul Ammon	1,060.01	446.67
246610 NP (Interest) - Paul Ammon 2	443.32	136.66
246620 NP (Interest) - Paul Ammon 3	339.99	33.33
246630 NP (Interest) - Costas Takkas 3	276.67	123.33
246640 NP (Interest) - Warren Lydon	691.68	308.34
246650 NP (Interest) - Green Chip 2	1,300.00	632.81
246660 NP (Interest) - Green Chip 3	436.75	90.10
246670 NP (Interest) - Costas Takkas 4	127.43	
<b>Total 2115001 NP - Accrued Interest</b>	<b>\$ 305,444.75</b>	<b>\$ 205,505.16</b>
211600 Accrued Liability - Other	0.00	0.00
211601 Accrued Legal	42,299.84	117,800.84
211602 Accrued Consulting	0.00	320,000.00
211603 Accrued Fees - Financial Insights	29,400.00	100,500.00
211604 Accrued Penalty - George Town	335,491.38	335,491.38
211605 Accrued Accounting	30,000.00	10,604.00
211606 Accrued Research & Development Cost	26,259.00	
<b>Total 211600 Accrued Liability - Other</b>	<b>\$ 463,450.22</b>	<b>\$ 884,396.22</b>
<b>Total Other Current Liabilities</b>	<b>\$ 3,713,173.78</b>	<b>\$ 4,039,466.13</b>
<b>Total Current Liabilities</b>	<b>\$ 5,172,359.47</b>	<b>\$ 5,207,675.41</b>
<b>Long-Term Liabilities</b>		
211300 Interco - AMP Distributors Inc. (Florida)	116,045.89	116,045.89
2990000 NP - Notes Payable (LT)		
290010 NP - Joe T. Ebernard	50,000.00	50,000.00
290060 NP - Joe T. Eberhard 2	500,000.00	500,000.00
299181 NP - Sonoro	2,915,000.00	2,915,000.00
299182 Debt Discount-Sonoro	(178,097.71)	(267,146.59)
299183 Debt Discount - St. George Investments	(11,120.00)	
299184 Debt Discount - JMJ Financial	(6,111.42)	
299240 NP - Adar Bays, LLC	52,500.00	
299260 NP - Union Capital, LLC	52,500.00	
299280 NP - LG Capital Funding, LLC	78,750.00	
299290 NP - St. George Investments, LLC	125,000.00	
299300 NP - Darling Capital, LLC	50,000.00	
299310 NP - JMJ Financial	66,667.00	
299320 NP - JSJ Investments Inc.	100,000.00	
299330 NP - Vis Vires Group Inc	20,000.00	
<b>Total 2990000 NP - Notes Payable (LT)</b>	<b>\$ 3,815,087.87</b>	<b>\$ 3,197,853.41</b>
2991000 NP - Accrued Interest (LT)		
290020 NP (Interest) - Joe T. Eberhard	12,347.24	10,813.90
290070 NP (Interest) - Joe T. Berhard 2	83,611.13	70,833.34

299110 NP (Interest) - LLI Trading Limited	50,763.88	50,763.88
299200 NP (Interest) - Sonoro	43,724.99	6,477.78
299301 NP (Interest) - Adar Bays LLC	778.75	
299302 NP (Interest) - Union Capital LLC	778.75	
299303 NP (Interest) - LG Capital Funding LLC	1,233.76	
299305 NP (Interest) - Darling Capital LLC	1,069.45	
299307 NP (Interest) - JSJ Investments Inc.	833.33	
299308 NP (Interest) - Vis Vires Group Inc.	120.00	
Total 2991000 NP - Accrued Interest (LT)	<b>\$ 195,261.28</b>	<b>\$ 138,888.90</b>
301620 Subscription Payable	144,750.00	0.00
Total Long-Term Liabilities	<b>\$ 4,271,145.04</b>	<b>\$ 3,452,788.20</b>
Total Liabilities	<b>\$ 9,443,504.51</b>	<b>\$ 8,660,463.61</b>
Equity		
301000 Common Shares	8,039.10	7,950.10
302250 Noncontrolling Interest - MesoCoat	(561,944.41)	(561,944.41)
356000 Retained Earnings	(21,253,250.06)	(21,253,250.06)
Paid-In-Capital		
301500 Paid In Capital	18,793,161.22	18,437,250.22
301700 Paid In Capital - Warrants/Options	11,103,641.12	10,946,249.12
301800 Paid In Capital - Stock	929,544.68	929,584.68
301900 Additional Paid In Capital	(518,128.20)	(608,644.20)
302000 Contributed Capital	5,049.85	5,049.85
Total Paid-In-Capital	<b>\$ 30,313,268.67</b>	<b>\$ 29,709,489.67</b>
Net Income	(988,620.45)	
Total Equity	<b>\$ 7,517,492.85</b>	<b>\$ 7,902,245.30</b>
TOTAL LIABILITIES AND EQUITY	<b>\$ 16,960,997.36</b>	<b>\$ 16,562,708.91</b>

Monday, Sep 28, 2015 06:02:55 PM PDT GMT-4 - Accrual Basis



**Abakan Inc.**  
**A/P Aging Summary**  
 As of September 16, 2015

Name	Current	1 - 30	31 - 60	61 - 90	91 and over	9/16/15 AP Total
Antenna Group					42,400.00	42,400.00
Bikulege, Stan					715.95	715.95
Birch Communications		380.58				380.58
Brafton, Inc.					1,250.00	1,250.00
Brighton Capital Ltd.		20,250.00				20,250.00
Broad and Cassel					39,236.39	39,236.39
Broadridge ICS					631.35	631.35
Capstone Management					400.00	400.00
Chernyakov, Vladimir		3,000.00	3,000.00	3,000.00	21,900.00	30,900.00
Cinecraft Productions					900.00	900.00
City of Miami			535.00			535.00
Comcast		233.76				233.76
Corporate Media Enterprises, LLC				3,649.50		3,649.50
Department of Treasury - IRS (Accrued)		4,662.50	4,662.50	4,864.82	13,987.50	28,177.32
Dept of Treasury - IRS (Penalty)		248.97			5,007.28	5,256.25
Dept of Treasury - IRS (Stephen Goss)					9,325.00	9,325.00
Experis Manpower Group					6,000.00	6,000.00
Ferris, Steven			89.27			89.27
Fraga, Bekierman & Cristiano Adogados					2,378.34	2,378.34
Freeman,Dunn,Alexander,Tiller,Gay&Lucy					180.00	180.00
Fulcrum Financial Inquiry LLP					800.00	800.00
Gabriela Benaroum		2,250.00				2,250.00
Goss, Stephen-Director Fees					12,950.00	12,950.00
Goss, Stephen-Payroll		8,793.75	8,793.75	8,793.75	5,775.82	32,157.07
Graves, Phil		5,000.00	5,000.00	5,000.00	79,480.00	94,480.00
Guild Associates					17,166.66	17,166.66
Hall, Lamb & Hall Acct#252		-369.50	3,235.36	45.00	5,448.13	8,358.99
Hall, Lamb & Hall Acct#354			205.00		260.00	465.00
Hall, Lamb & Hall Acct#411					3.40	3.40
Hall, Lamb & Hall Acct#580			237.50	6,377.00	12,171.30	18,785.80
Hall, Lamb & Hall Acct#590				78,764.85	95,092.88	173,857.73
Hall, Lamb & Hall Acct#615					52.49	52.49
Hall, Lamb & Hall Acct#649				11,267.50		11,267.50
Harrison Law		100.00				100.00
Haynes and Boone, LLP				260.85		260.85
Integrity Plus Services		38,636.50				38,636.50
Island Stock Transfer		666.82	751.40			1,418.22
Jams Inc		2,900.00				2,900.00
Klein Glasser Park & Lowe PL				380.00	4,927.50	5,307.50
Law Offices of Steven E. Rosenfeld, PC		39,603.20	38,350.00	33,172.24	40,017.10	151,142.54

Maloney & Novotny		20,870.00				20,870.00
Mazzeo Song & Bradham LLP					18,663.60	18,663.60
Michael Rosen PA					22,550.15	22,550.15
Miller, Nicolas					40,121.87	40,121.87
Miller, Robert H.					39,844.36	39,844.36
Miller, Robert H. - company expense pd by RM		12,500.00	12,500.00	12,500.00	0.00	22,152.58
O'Quinn Stumphauzer Trust Account		22,152.58	0.00	0.00	0.00	22,152.58
Ohio Department of Taxation			2,980.00	9.10	76,166.79	79,146.79
Orsa & Company			3,918.75		81.88	90.99
OTC Markets Groups Inc.			10,000.00		34,414.00	43,160.25
Owen, Ryan		5,000.00	5,000.00			10,000.00
RedChip Companies Inc.					30,000.00	45,000.00
ReEnergize Consulting Services					15,000.00	15,000.00
Robinson Reporting				369.50	32,500.00	32,500.00
Singerman,Mills,Desberg,&Kauntz Co., LPA						369.50
Skoda Minotti				4,337.49	5,605.50	5,605.50
Solowky Allen Attorneys at Law					4,337.49	4,337.49
Speed Print One					3,569.44	3,569.44
Standard & Poor's					350.53	350.53
Steinback & Associates					9,900.00	9,900.00
Surety Financial Group, LLC					14,752.63	14,752.63
Takkas, Costas		3,000.00	3,000.00	3,000.00		9,000.00
Tellini, Raymond					73,793.16	73,793.16
The Nasdaq-New Acct. #171					1,117.76	1,117.76
Thomas, Sam					5,000.00	5,000.00
United Imaging		3,000.00	3,000.00	3,000.00	78,000.00	87,000.00
Upchurch Watson					298.95	298.95
Van Der Gulik, David		4,500.00	4,500.00	4,500.00	4,312.50	4,312.50
Van Der Gulik, David (Accrual)					55,809.61	69,309.61
TOTAL	\$ 0.00	\$ 197,319.16	\$ 109,767.63	\$ 192,849.15	\$ 952,845.08	\$ 1,452,841.02

Promissory Notes:	Penalty Due	Note Amount
211480 NP - Costas M. Takkas		80,993.60
211520 NP - Maria D. Longo		15,000.00
211590 NP - Green Chip, SA		336,766.03
219450 NP - River Fish Holding		43,600.00
230900 NP - James Chew		19,350.00
231000 NP - Kosson Ventures		3,850.00
235201 NP - Ammon & Associates Inc.		60,000.00
236000 NP - George Town Associates SA	335,490.75	1,341,963.34
242500 NP - Chaco Holding SA		70,000.00
242700 NP - Ioannis Xynos		40,000.00
245500 NP - Costas M. Takkas 2		26,684.72

245600 NP - Green Chip SA 2	250,000.00
246100 NP - Gustavo & Alexandra Maz	21,307.73
246530 NP - John Xinos	30,867.00
246550 NP - Paul Ammon	30,000.00
246560 NP - Paul Ammon 2	15,000.00
246570 NP - Paul Ammon 3	20,000.00
246580 NP - Costas Takkas 3	10,000.00
246590 NP - Warren Lydon	25,000.00
246591 NP - Green Chip 2	60,000.00
246592 NP - Green Chip 3	25,000.00
246593 NP - Costas Takkas 4	5,500.00
290010 NP - Joe T. Ebernard	50,000.00
290060 NP - Joe T. Eberhard 2	500,000.00
299181 NP - Sonoro	2,915,000.00
299240 NP - Adar Bays, LLC	52,500.00
299260 NP - Union Capital, LLC	52,500.00
299280 NP - LG Capital Funding, LLC	78,750.00
299290 NP - St. George Investments, LLC	125,000.00
299300 NP - Darling Capital, LLC	50,000.00
299310 NP - JMJ Financial	66,667.00
299320 NP - JSJ Investments Inc.	100,000.00
299330 NP - Vis Vires Group Inc	20,000.00
	<b>6,541,299.42</b>